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REVIEW OF LEGISLATION OF SESSION.

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SPEECH

OF

HON. JOSEPH C. STONE,  
OF IOWA,

IN THE

HOUSE OF REPRESENTATIVES,

JUNE 4, 1878.



WASHINGTON.  
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S P E E C H  
OF  
H O N . J O S E P H C . S T O N E .

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On the state of the Union.

Mr. STONE, of Iowa. Mr. Speaker, it has hitherto appeared to me that I could best serve the interests of my constituents by closely watching the course of business in this House, by aiding in shaping legislation by my votes, and by diligent attention to the committee-work assigned to me, rather than by occupying in speech-making the time required for the transaction of public business. Now, however, that the session is drawing to a close, I feel it to be my duty to give expression to my views upon some of the topics which have engaged the attention of this Congress and to review, to some extent, the history of its action thus far, with special reference to inquiring how well the democratic majority of this House has discharged the duties imposed upon it by the condition of the country.

And in the first place, sir, permit me to call attention to the fact that Congress was convened here, in extra session, in October, in advance of the regular time for meeting in consequence of the failure of the democratic House of the Forty-fourth Congress to pass the Army bill, caused by the factions and unpatriotic course of the majority of that House in endeavoring to fasten upon that bill unconstitutional restrictions upon the power of the Executive. Such, however, was the distressed condition of the country at the time the present Congress assembled that its coming together might have resulted in great good had the majority in this Hall possessed such wisdom and statesmanship as was demanded by the critical condition of our national affairs. The people looked to that extra session for relief, but they were destined to be grievously disappointed, the democratic majority which controlled the course of legislation having proved unequal to the emergency.

Before that extra session commenced business had begun to show many encouraging signs of revival, but as soon as it became manifest that the majority of this House were devoted to the promotion of the interests of the democratic party rather than those of the whole people, reviving confidence vanished and the public distress became more wide-spread than ever. The extra session ended without having passed any measures for the relief of the nation. It made a great deal of fuss, but did little real work. This failure had a discouraging effect upon the country, for it left the people without any confidence in the democratic leaders of this House to devise any such enlightened and statesman-like legislation as the extraordinary condition and circumstances of the country required.

Thus the first chapter in the history of this democratic House is made up of a record of its inability to comprehend the real necessi-

ties of the people, and of its failures to devise any effective remedies for the suffering industrial and commercial interests of the nation. So far as national legislation is concerned, the democratic party is mainly responsible for the present condition of the country, for the lower branch of Congress can and always does exert a more potent influence for good or evil upon the public prosperity than any department of the Government.

The reputation for incapacity to comprehend the needs of the country and to devise measures for the relief of its distress which was gained by the democratic majority at the extra session has adhered to it at the present session. With such an opportunity for the display of legislative wisdom as has rarely been possessed by an American Congress, the gentlemen on the other side of this Hall have utterly failed to meet the just expectations of the people. The energies which should have been devoted to the legislation demanded by the business interests of the country have been expended in investigating the delinquencies of a democratic Doorkeeper, in unjustly unseating republican members in contested-election cases, in the fruitless but expensive investigations of the Glover committees, and finally in devising and carrying into effect a scheme to plunge the country into revolution by opening up the question of the presidential title.

The truth of the matter is that the democratic majority, both in this House and the last, regarded its ascendancy as nothing more than an opportunity for promoting partisan ends. Their record is consequently full of blunders and failures, and has finally been rendered infamous by wicked preparations for a revolution which threatens to lower our country to the level of Mexico. I defy gentlemen on the other side of this Hall to point to any great, comprehensive, statesman-like measure, such as the times have demanded during their ascendancy, which they have either presented to the country or enacted into law. I therefore feel it to be my duty to arraign the democratic party before the nation for its shortcomings and evil deeds, not doubting as to what the verdict of an indignant people will be.

Mr. Speaker, I now propose to examine with some degree of care a few of the political topics which have recently engaged public attention, and in so doing I shall incidentally still further expose the delinquencies of the majority which controls the business of this House. The leading question which met us when we assembled here was the financial one. Although it was the duty of our adversaries, as a great political party, to present the country with a distinct, well defined policy on this subject, it utterly failed to do so. The prominent leaders on the democratic side of this House notoriously held the most discordant views upon this subject. Hence the singular spectacle was presented of a party nominally possessing a majority in this House and yet so weak and demoralized that it could not devise any financial scheme which could command anything like unanimous party support. This division of sentiment by no means relieves the democrats from the responsibility of having failed as a party to afford the financial relief demanded by the necessities of the country. So far as any of the practical measures of this sort which have been adopted are concerned, the democratic party is not entitled to the credit of them. Thus, for example, one of the most important measures passed by this Congress in relation to the finances was the bill for the remonetization of silver. Whatever merits this law may possess, it is not one for which the democratic party can claim any credit, for it was repeatedly declared, both in this House and in the Senate, not to be a party measure.

I supported this measure for reasons which I considered sustained by sound principles of political economy, and I have as yet seen no reason to regret my vote. While the remonetization of silver has not produced all the good effects which its advocates predicted, it has, on the other hand agreeably surprised its opponents by causing none of the evil effects which they feared. The circumstances under which silver was demonetized, were, to say the least, so peculiar that it was but a simple act of justice to restore the silver dollar to its old status. Now that it has been done, it will aid in rendering resumption practicable and will at the same time form a desirable addition to the volume of our national currency.

An irredeemable currency is one of the worst evils which can afflict a country, as has been amply proven by the history of France, Austria and other European nations, as well as by that of our own country in colonial times. Profiting by the lessons of history and guided by sound financial principles, the republican party early adopted a policy in the administration of our national finances which was intended to bring about the resumption of specie payments at the earliest practicable period. The legislation upon this subject culminated in the law which fixed the 1st of January, 1879, as the date for resumption. This policy has not been carried out without violent opposition, but is now nearly successfully accomplished, and the nation has just reason to thank the leaders of the republican party for the firmness and moral courage which they manifested in devising that policy and in appealing to the intelligence and patriotism of the people to stand by them. The measure was not one which appealed to popular favor, but was one of hard necessity. It required the people to make great immediate sacrifices for the sake of distant advantages, and it is greatly to the credit of the American people that they bravely sustained the republican party, and voluntarily submitted to the operation of the severe measures necessary for restoring the currency of the nation to a sound basis.

The difficulty of carrying out the policy of resumption was greatly increased by the financial distress which was produced by the panic of 1873. It has been quite usual to attribute that event to the policy of contraction; but the tables which I will now read, compiled from official sources, indicate very clearly that that disaster must have been brought about by other causes, in part at least, than by contraction :

*A table showing the amounts of currency outstanding at the several dates specified.*

Date.	Currency.	Amount.
August 31, 1865 ....	National-bank bills.....	\$176, 213, 955
	Legal-tender notes.....	459, 505, 311
	Total .....	635, 719, 266
January 1, 1866....	National-bank bills.....	\$298, 588, 419
	Legal-tender notes.....	452, 231, 809
	Total .....	750, 820, 223
January 1, 1867....	National-bank bills.....	\$299, 846, 206
	Legal-tender notes.....	409, 230, 654
	Total .....	709, 076, 860

*A table showing the amounts of currency outstanding, &c.—Continued.*

Date.	Currency.	Amount.
January 1, 1868....	National-bank bills.....	\$299, 747, 569
	Legal-tender notes.....	387, 756, 710
	Total .....	687, 504, 279
January 1, 1869....	National-bank bills.....	\$299, 629, 322
	Legal-tender notes.....	390, 236, 788
	Total .....	689, 866, 110
January 1, 1870....	National-bank bills.....	\$299, 904, 029
	Legal-tender notes.....	395, 875, 762
	Total .....	695, 779, 791
January 1, 1871....	National-bank bills.....	\$306, 307, 672
	Legal-tender notes.....	396, 096, 175
	Total .....	702, 403, 847
January 1, 1872....	National-bank bills.....	\$328, 465, 431
	Legal-tender notes.....	398, 360, 678
	Total .....	726, 826, 109
January 1, 1873....	National-bank bills.....	\$344, 582, 812
	Legal-tender notes.....	404, 364, 355
	Total .....	748, 947, 167
January 1, 1874....	National-bank bills.....	\$350, 848, 236
	Legal-tender notes.....	427, 026, 131
	Total .....	777, 874, 367
January 1, 1875....	National-bank bills.....	\$354, 128, 250
	Legal-tender notes.....	428, 462, 915
	Total .....	782, 591, 165
January 1, 1876....	National-bank bills.....	\$346, 479, 756
	Legal-tender notes.....	416, 043, 934
	Total .....	762, 523, 690
January 1, 1877....	National-bank bills.....	\$317, 324, 069
	Legal-tender notes.....	375, 765, 296
	Total .....	693, 089, 365

The panic occurred in September, 1873. That it was not caused by contraction will appear from the following comparative statements, namely:

Total currency outstanding January 1, 1873.....	\$748, 947, 167
Total currency outstanding January 1, 1868....	687, 504, 279

Showing an inflation in 1873 as compared with 1868 of.....	61, 442, 888
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Total currency outstanding January 1, 1873.....	748, 947, 167
Total currency outstanding January 1, 1869.....	689, 866, 110

Showing an inflation in 1873 as compared with 1869 of.....	59, 081, 057
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It would occupy too much time to go into a full examination of all

the causes which produced the crisis of 1873. The chief agency in bringing about the condition of affairs which occasioned that event were overproduction and undue expansion of the credit system. I do not, however, propose to go into details on this subject, and I therefore rest content with citing the figures contained in the foregoing statement which prove that the great calamity which overtook the country in 1873 cannot properly be attributed to the policy of contraction advocated by the republican party.

In this connection, sir, I desire to call attention to the fact that the financial policy of the republican party has been wise, uniform, consistent, and successful. On the contrary, the democrats, after having denounced greenbacks as unconstitutional and worthless, subsequently veered around and became zealous advocates of them as the best currency in the world, and demanded an unlimited issue of them. In former times one of the distinctive doctrines of the democratic party was that coin, or money redeemable in it, ought to be the exclusive currency of the country; yet this fact has not stood in the way of their opposing the resumption policy of the republican party, a policy which is in strict accord with the financial views of the fathers of the Republic as embodied in the Constitution. While I thus favor the republican policy of resumption, I am by no means disposed to understate the services which the greenbacks have rendered to the nation. As a war measure the issuing of them was of incalculable service.

No patriot can avoid feeling attached to the currency which paid the Union armies and furnished them with supplies. I cannot, however, forget that although the democrats now pretend to be great friends of this sort of currency, they bitterly opposed and denounced it in the dark hours of the country's need when it was of the most service in preventing the success of the rebellion. I must confess that so far as I am concerned I am deeply attached to the currency which whipped the rebels and their democratic allies, and on account of these services I would be quite willing to retain it as a permanent currency of the nation, provided I could be convinced that it would be consistent with sound principles of political economy to do so.

In my opinion, however, all abstract theories upon this subject are rendered useless by the decision of the Supreme Court of the United States which holds that the issue of legal-tender notes was only lawful as a war measure. The history of the greenback legislation shows that it was the intention of the authors of that system of finance to return to specie payments as soon as the condition of the country would permit. They acted upon the theory that coin, or paper currency convertible into it, was the only money recognized by the Constitution.

As I remarked a while ago, the democratic party has utterly failed to present to the country any satisfactory financial policy. Although my party is in the minority in this House it is entitled to the credit of having originated all the wise and practical legislation upon this subject which has been brought forward at this session. The chief of these wise measures was the bill introduced by the gentleman from the eighth district of Illinois, [Mr. Forr,] which is now a law which prohibits the retirement of any of the greenbacks which were in circulation at the date of its passage. The author of this law is a republican, and its principles are in strict accord with the doctrine laid down by the Secretary of the Treasury in 1877 in his Mansfield speech and reiterated in his annual report in the following terms:

The Secretary is of the opinion that under this section (3579 Revised Statutes of

the United States) notes when redeemed after January 1, 1879, if the amount outstanding is not in excess of \$300,000,000, may be reissued as the exigencies of the public service may require. A note redeemed with coin is in the Treasury and subject to the same law as if received for taxes, or as a bank-note when redeemed by the corporation issuing it. The authority to reissue it does not depend upon the mode in which it is returned to the Treasury, but this construction is controverted and should be settled by distinct provisions of law. It should not be open to doubt or dispute. The decision of this question by Congress involves not merely the construction of existing laws, but the public policy of maintaining in circulation United States notes either with or without the legal-tender clause. These are of great public convenience; they circulate readily; are of universal credit; are a debt of the people without interest, are protected by every possible safeguard against counterfeiting, and when redeemable in coin at the demand of the holder, form a paper currency as good as has yet been devised. It is conceded that a certain amount can with the aid of an ample reserve in coin, be always maintained in circulation. Should not the benefit of this circulation inure to the people rather than to corporations, either State or national?—*Annual report of the Secretary of the Treasury*, page 16.

Thus, in spite of the blundering and incapacity of the democratic majority of this House, our national financial system has been adjusted in a very comprehensive and satisfactory manner upon republican principles. The passage of the Fort bill, it is to be hoped, will put an end to the disposition to tinker with the currency, which for so many years has exerted such a mischievous influence upon business. Taken in connection with laws already upon the statute-book, it will not only render resumption practicable, but will give the country a currency capable of being expanded so as to meet the utmost demands of trade. To sustain the truth of this assertion I beg leave to cite the figures contained in the following tables. The first table shows the amount of currency possessed by the country on the 1st of June, 1878, as compared with the highest amount in circulation prior to January 1, 1873.

The following shows the amount of currency in the country on the 1st of June, 1878, namely:

Old demand notes and legal-tender notes.....	\$346,743,313 50
Coin in the Treasury.....	189,708,021 10
National-bank bills.....	323,988,085 00
Total.....	860,439,419 60
Amount of currency January 1, 1866.....	750,820,228 00
Difference.....	109,619,191 60

This statement shows that we have now \$109,619,191.60 more currency than on the 1st of January, 1866, with a purchasing power fully one-third greater. This statement does not include the coin held by banks on the 1st of June, 1878.

The following shows the probable amount of currency which the country will possess on the 1st of January, 1879:

United States Treasury notes.....	\$340,000,000
National-bank notes.....	325,000,000
Gold in the Treasury.....	180,000,000
Silver in the Treasury.....	25,000,000
Coin in banks and country.....	120,000,000
Total.....	990,000,000

Thus, as a consequence of the financial policy of the republican party, not only do we possess a greater volume of currency than ever before since the war, but it is also a more valuable one, being practically convertible into coin and capable of being expanded from two sources, namely, by the steady increase in the amount of gold and silver coined, and by the expansion of the national-bank currency under the free-banking system as may be demanded by the necessities of trade.

The volume of the national-bank currency being left to the operation of the laws of supply and demand, instead of being fixed by artificial regulations, can be expanded and contracted from time to time as the exigencies of commerce may require, and will thus become a sort of safety-valve for the business of the country whereby the effects of monetary revulsions may be mitigated if not entirely prevented. Thus have the consistency of the republican party and the wisdom of its resumption policy been completely vindicated. Instead of being driven about by every wind of doctrine, our party in the beginning adopted the true policy, and having adhered to it through good and through evil report has now the satisfaction of witnessing its ultimate and complete triumph. The result has been a grand victory for true statesmanship over time-serving expediency of which the republican party has just reason to be proud.

#### SAVINGS BANKS.

Closely allied to the financial question is the proposition to establish in this country postal savings-banks. Early in the session I introduced a bill for this purpose. I was induced to do so by the fact that I thought it was expedient for the Government to provide the laboring-men of the country with facilities for so depositing their surplus earnings that they would be absolutely safe and draw a reasonable rate of interest. I consider this measure the more important on account of the numerous failures which have recently occurred among the savings-banks organized under State laws, whereby the hard-earned savings of workmen and the funds of widows and orphans have been irretrievably lost to them. I moreover regard savings-banks as an invaluable instrumentality for promoting the common interest, national thrift, and prosperity on account of their influence in encouraging habits of economy and frugality among the people. Depositors in saving-banks, as a class, are virtuous, industrious, and law-abiding citizens.

Another important argument in favor of postal savings-banks is that through them a considerable portion of the public debt might be funded at a low rate of interest in the hands of the people. We have never had a real popular loan in this country, because the securities hitherto placed on the market have been offered under such conditions that people of very small means could not invest in them. Postal savings-banks, properly regulated, would bring these securities within the reach of persons of the very humblest means and in the most remote parts of the country. Bonds offered through national banks cannot be placed within the reach of the mass of the people. They are moreover of too high denominations for large classes of persons who need facilities for investing the small sums saved from their weekly or monthly earnings, or the gains of the garden, the farm, or the workshop, as received from time to time. The postal savings-banks would be ready at all times to receive deposits, no matter how small, under regulations easily understood by all.

Unfortunately the statistics relating to this subject are quite imperfect. The latest report of the Secretary of the Treasury shows the amount of the deposits in these institutions to be \$843,154,804. The aggregate of the deposits in savings-banks, State banks, and trust companies as reported by the Comptroller of the Currency is .....\$1,346,016,613  
Or, allowing for imperfect returns, say ..... 1,000,000,000

The debt statement for June 1, 1878, shows that the bonded indebtedness of the United States on that day was as follows, namely:  
Bonds at 6 per cent..... \$733,619,000  
Bonds at 5 per cent..... 703,266,650

Bonds at 4½ per cent.....	\$235,000,000
Bonds at 4 per cent.....	91,850,000

Total.....	1,768,735,650
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There is but little question but that the whole of this indebtedness might be held by our own people. There would certainly be no trouble, by means of savings-banks and other suitable arrangements for a popular loan, in refunding the 6 per cent. and the 5 per cent. bonds at, say, 4 per cent., thus effecting an annual saving in interest as follows:

Saving in interest on 6 per cent. bonds.....	\$14,772,380 00
Saving in interest on 5 per cent. bonds .....	7,032,666 50

Total saving.....	21,815,046 50
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These figures are conclusive as to the amount of saving which the Government might make by adopting the policy of establishing postal savings-banks. The experience of England, which has tried these institutions, proves that they are practicable. Although the British government limits the amounts which these banks are allowed to receive from depositors to very small sums, these institutions there being intended only for the benefit of very poor people, the aggregate deposits nevertheless amounted to more than \$350,000,000 in 1876, a wonderful result when we consider the small sums of which it was made up.

Another important consideration in favor of funding a large portion of our national debt among our own people is that thereby the interest on that portion of the debt would be kept at home instead of being sent abroad. The statistics of the wealth of the country show that at least \$1,500,000,000 of the public debt might readily be placed in the hands of our own people by a judiciously managed popular loan. Such a course would stop the drain of gold from the country to pay interest, and to that extent strengthen our entire financial system by keeping at home a large portion of the \$84,000,000 which our mines annually produce.

This policy would relieve us from dependence upon foreign countries, a most desirable consummation, inasmuch as the debtor is always to a certain extent dependent upon the creditor. It would render the creditor class in our country numerous and equalize the distribution of wealth, and thereby render overgrown fortunes less common. The fact that the national debt of France is held by her own people is the real secret of the success of her financial system. In 1867 the debt of France was held by 1,095,683 persons, and it is now estimated by good authorities at more than double that number. The public debt of that country is \$4,695,600,000, or more than double ours. She has a less population than the United States, and her smaller territory has been recently devastated both by a foreign invasion and a domestic insurrection; and yet her finances have flourished through it all. The ability of France to pay the vast sum of \$1,000,000,000 as a war indemnity to Germany and at the same time preserve the credit of the nation and keep her finances in a sound condition can only be accounted for by the fact that she owes her debt to her own people.

Our country has never yet experienced the full advantages of a popular loan. The postal savings-bank system affords the means of so doing, and at the same time of furnishing the people with much-needed facilities for investing their surplus earnings. In this connection permit me to remark that in my opinion one of the chief benefits of these institutions would be that they would give the mass

of the people an interest in the stability of the Government and cause them to take an increased interest in the economical administration of its affairs. It would establish the public credit upon the firmest possible basis, for who would dare even to hint at the repudiation of a debt held by the great mass of the people?

#### INTERSTATE COMMERCE.

Interstate commerce is another topic to which I wish to direct the attention of the House for a few moments. One of the leading considerations which induced our forefathers to form the American Union was the desire to free the commerce of this continent from the harassing restrictions of local authorities. In order that this object might be accomplished the Constitution gave Congress the express power to regulate commerce among the several States. No grant of power contained in that instrument is more liberal and unrestrained than this one; yet the National Legislature has been very slow in enacting laws to carry its provisions into practical effect. It has hitherto confined the exercise of its power almost entirely to the regulation of commerce on the rivers and lakes. The wonderful development of railroad interests which has taken place within the last twenty-five years has given rise to a condition of affairs which calls for the exercise by Congress of the constitutional power which it possesses to regulate commerce among the several States. There are now in existence four trunk lines, namely, the New York Central, the Erie, the Pennsylvania Central, and the Baltimore and Ohio, all extending from the Atlantic coast to the Mississippi River or beyond.

It would be difficult to exaggerate the influence which these and other great corporations like them possess. They are grand monopolies and are almost omnipotent so far as the State authorities are concerned. The local governments are utterly unable to cope with them, and they are therefore able with impunity to levy burdensome and oppressive exactions upon the interstate commerce of the land. The States being unable to relieve the people from these burdens, it is certainly very proper that Congress should exercise the power to regulate the interstate railroads which it undoubtedly possesses. Both the agricultural and the commercial interests of the country are oppressed by these tyrannical monopolies. The remedy for these evils is simple. Congress should prohibit under severe penalties combinations and discriminations against the general public and in behalf of favored individuals, corrupt rings, and transportation companies. All shippers should be put upon an equality as to price, privileges, and conveniences. Rates for freight should be uniform, and no drawbacks or rebates should be permitted under severe penalties. The gross amount of charges is now generally greater for a shorter than for a longer distance on the same line of transportation. This should not be allowed, nor should companies be permitted to charge higher rates for interstate than for State freight.

Monopolies and perpetuities are repugnant to the genius of our institutions. Yet these railroad corporations, created by law, assume to be greater than their creators, and not only dictate terms to States, but even threaten to defy the control of the nation itself. No time should be lost by Congress in regard to this matter, but such prompt and decisive action should be taken against them as would teach them that they are not superior to the people, but are subject to the control of their representatives in Congress assembled, notwithstanding the fact that they have successfully defied the mastery of all

other authorities. Hitherto the legislation both of the States and of the nation has been almost wholly in the interests of these great railroad corporations. Unless this policy is soon reversed, their power will become almost irresistible, and the people will be left without any remedy except revolution, that last resort of the oppressed.

From all parts of the land cries have been coming up to this capital for relief from the exactions of these railroad monopolies. They levy taxes not only upon the western farmer, but upon the consumer in the East, so that all sections are alike interested in obtaining legislation for the remedy of the evil—a remedy which is comparatively plain and simple. The interstate railroads, being carriers for hire, are in a business which affects the public interests and are therefore subject to regulation by law. The subject being thus one over which the Constitution expressly gives the General Government control, it is only necessary for Congress to enforce the well-established principles of the law regulating common carriers as recognized in England and America in order to afford the people all the relief they need from the ruinous exactions which now oppress them.

If any further arguments are needed in favor of the doctrine that Congress should regulate interstate commerce, an unanswerable one may be found in the official reports of the Treasury Department which show the immense aggregate amount of that business. On this point I wish to read an extract from the last report of Hon. Joseph Nimmo, Chief of the Bureau of Internal Commerce; the figures tell their own story:

*Statement showing the relative importance of the internal and foreign commerce of the United States.*

Estimated value of shipping (American and foreign) employed in our foreign trade .....	\$200,000,000
Estimated value of the railroads of the United States .....	4,600,000,000
The value of the commodities embraced in our foreign commerce, and the estimated values of commodities transported on railroads, are as follows:	
Value of exports and imports (foreign commerce) .....	1,121,634,277
Estimated value of commodities transported on rail (internal commerce) .....	18,000,000,000

SUBSIDIES TO RAILROADS.

Closely allied to this topic of interstate commerce is that of Government subsidies to railroads. I do not hesitate to say, sir, that I am opposed to the reckless system which has hitherto been pursued in regard to this subject. Even granting that the policy is abstractly right the greater portion of the legislation of Congress in regard to it has been careless, wasteful, and extravagant. I find, sir, from an examination of the official records of the Government that the aggregate of the lands thus far granted in aid of railroads is 209,663,994 acres. It has been estimated that these lands, if embraced in one body, would form a territorial area larger than Texas, or nearly five times as large as the State of New York.

Indeed there are single companies which own a larger extent of territory than that possessed by many of the most conspicuous and powerful states which have played a great part in the history of the world. If we consider the imperial domains of some of these railroad companies it will not seem strange to us that they should take upon themselves such haughty airs, and treat the individual States of this Union as their vassals. I am unwilling, sir, by my vote to increase the number of these dictatorial and dangerous corporations, or the influence of those now in existence. I am well aware of the fact that

the railroads already built have vastly increased the commercial facilities of the nation, and that under this policy the Pacific shores of our Republic have been bound to the East by iron bands and by the benign influences of rapid mercantile intercourse, but I cannot shut my eyes to the evils which the system as an entirety has indicted upon the country.

In particular when I consider this subject with reference to the aid asked at our hands for the Southern Pacific Railroad, I am unable to find any sufficient reasons for supporting that measure. We already possess ample facilities for the present amount of our commerce with the Pacific coast. The benefits of the success of the scheme to build that road by Government aid would inure to the advantage of a corporation rather than of the whole country. So far as the interests of the eighteen millions of people who live in the Mississippi Valley and of the nation at large are concerned they would in my opinion be much more effectually promoted by improving the navigation of the Mississippi River and restoring the city of New Orleans to its former importance as a center of trade. I hold, sir, that the interests of the people will best be promoted by multiplying the number of our commercial centers, and particularly by availing ourselves to the utmost of the lakes and great water-courses of our country as channels for our commerce and as the natural competitors of the great trunk lines of railroad. In this connection allow me to read an extract from a recent article in the Cincinnati Commercial, which sets forth very clearly the cheapness of water transportation, a subject of great importance to the people of the Mississippi Valley. The Commercial says:

The tow-boat Josh Williams is on her way to New Orleans with a tow of thirty two barges containing over six hundred thousand bushels of coal, exclusive of her own fuel, being the largest tow ever taken to New Orleans or anywhere else in the world. Her freight bill, at three cents per bushel, amounts to \$18,000. It would take eighteen hundred cars, of three hundred and thirty-three bushels to the car, which is an overload for a car, to transport this amount of coal. At \$10 per ton or \$100 per car, which would be a fair price for the distance by rail, the freight bill would amount to \$180,000 or \$162,000 more by rail than by river.

The tow will be taken from Pittsburgh to New Orleans in fourteen or fifteen days. It would require one hundred trains of eighteen cars to the train to transport this one tow of six hundred thousand bushels of coal, and even if it made the usual speed of fast freight lines it would take one whole summer to put it through by rail. This statement shows the wonderful superiority of the river over rail facilities.

In view of these facts I therefore feel that it is much more important, so far as the interests of not only the Mississippi Valley but of the entire nation are concerned, that the treasures of the National Government should be expended in improving the facilities for cheap water transportation rather than that they should be wasted upon enterprises like the Southern Pacific Railroad, which, to say the least, are of doubtful present utility. Before I can favor any schemes of that character I would first like to see the railroads already chartered show a greater disposition to respect the rights of the Government and the people than they are now doing. In this connection I may remark that inasmuch as the development of our internal commerce is largely dependent upon that with foreign countries, I am in favor of encouraging the latter by all such legislation as may be consistent with sound public policy. Special efforts should be made to increase our trade with Brazil and other South American states. It naturally belongs to us and could be made mutually advantageous to us and to them.

#### THE LABOR QUESTION.

Mr. Speaker, I feel that my review of the present political situa-

tion would be very imperfect if I should omit to discuss the labor question, which is now considered in every civilized country on the globe a question of supreme importance. Labor, sir, is the law of the universe, and I hold that its protection should be the great object of government. The state which fails to protect this great source of its prosperity comes short of fulfilling the purpose for which governments are instituted. Although labor is the basis of society, it has in all ages been greatly oppressed, and it may truly be said that civilization has advanced just in proportion as labor has been emancipated. The republican party, by the abolition of slavery, did more to vindicate the rights and dignity of labor than any other event since the overthrow of the feudal system in Europe. Our party has just reason for being proud of its record on this subject, while on the other hand the democratic party can never free itself from the opprobrium of having upheld slavery until the very last. And to-day, if you find a man who has no faith in popular government and who believes that slavery ought never to have been abolished, you will be sure to find that man voting the democratic ticket.

The history of labor in antiquity and in the middle ages is but a history of the servitude of the great mass of the industrial classes. As a matter of course very erroneous views prevailed in those times as to worth of labor and to rights of the laborer. It is to the prevalence of wrong ideas upon this subject that the ruin of many states, both in ancient and modern days, may be traced. Wealth and luxuries accumulated by unrequited labor bring a curse with them which will always ultimately ruin both individuals and commonwealths. There is no more impressive lesson taught by all past history than that the prosperity of nations depends upon just laws for the protection of labor. To this cause as much as to any other our country owes the wonderful prosperity which it has enjoyed. Indeed, in the comparatively simple and plain condition of society which existed here for a long time, the rewards of labor, in the North at least, were so certain and so ample that the labor question attracted but little attention. Now, unfortunately, a different state of things exists, brought about by many causes, but chiefly by the enormous fortunes made by unjust means during the war, and by the growth of powerful railroad corporations and other monopolies, whereby a few men have been enabled to acquire enormous fortunes at the expense of the many. Unwise legislation not sanctioned by sound principles of political economy also had its share in placing unjust burdens on the laborer.

During the last year the country witnessed with consternation outbreaks of violence among the workingmen, which seemed to threaten the very existence of society itself. That violence was but the outward symptom of a deeply diseased condition of the body-politic, and it therefore becomes us as physicians called upon to cure the ills of state to make ourselves thoroughly acquainted with both the causes and the character of the malady we are to treat. The causes of the disease are numerous and somewhat complicated. It would require more time than I have to-day to define and trace them all, and I therefore only enumerate in addition to those I specified a moment ago, and as some of the most patent, the organized schemes of robbery by which through watered stock, wrecked insurance companies, and other dishonest devices enormous fortunes have been acquired. The dangers of communism, and all other forms of social disorder, can best be removed by just and equal laws and such legislation as will encourage production and protect the laborer.

The commercial questions in which the laborer is most interested are, perhaps, the currency, cheap transportation, and the tariff. Thanks to the triumph of republican policy, the laborer is now paid in money at about par with gold, and of course with a purchasing power correspondingly increased, cheap transportation can best be secured, national control of interstate commerce, and liberal appropriations for the improvement of the harbors and navigable waters of the country, and by wisely fostering our foreign trade. The tariff, both as a system of taxation and as a method for the protection of American industry, affects the interests of laborers in many ways, both directly and indirectly.

Under the protective system which has been maintained for many years by the policy of the republican party numerous branches of American manufactures have been so well fostered that we are now able not only to supply the wants of our own country but to compete in many foreign markets with other nations with the products of our factories. We are constantly deriving more and more benefit from the benign policy by which our domestic industries are protected from competition with the cheap labor of other countries. A striking proof of the popularity of the protective policy of the republican party is afforded by the fact that although no petitions have been received by this Congress asking for a change in the tariff over one hundred thousand workingmen have petitioned for a revision of the existing tariff laws by an increase of at least 10 per cent. of the existing rates.

One of the most essential requisites for keeping the manufacturing interests of a nation flourishing is that the tariff laws should be stable, for citizens will always hesitate to engage in new enterprises, or to employ labor freely in those already commenced as long as changes are threatened in the policy of the Government. It is just such an injury as this which the democratic party at the present session inflicted upon the industrial interests of the country. The chairman of the Committee of Ways and Means announced early in the session that his committee would introduce a bill to reduce the tariff. The mere announcement of such an intention at once paralyzed many of the most important industrial interests of the nation, threw thousands of men out of employment, and added vastly to the already wide-spread suffering throughout the land. The history of the efforts of the chairman of that committee to force his ill-considered, unwise, and destructive bill through this House, and his inability to get it through with a good working party majority nominally at his back, should warn the country of how dangerous an experiment it is to give such a demoralized, unstable, and disorganized party the ascendancy. So far as the action of the majority of this House upon great political question is concerned, it must impress the country with the idea that it is far from being a band of enlightened and trained statesmen.

Although the effort to pass that bill at this session has been defeated, it will nevertheless be kept hanging over the country until next winter to paralyze our industries, which would likely otherwise flourish beyond precedent. It is but little short of criminal to make at any time sudden and radical changes in tariff laws, since by so doing many branches of industry must be inevitably ruined. In justice to those who have invested their means in manufacturing, modifications of the tariff should always be made slowly and after long notice. The democrats in this House have pursued the opposite course, and have thereby inflicted losses upon the business of the

country amounting to millions of dollars besides causing an incalculable amount of suffering.

#### REBELLION CAUSE OF OUR FINANCIAL TROUBLES.

It has been the custom of democratic orators to attribute the crisis of 1873 and the hard times which followed that event to the contraction policy of the republican party. Such a charge is unjust, illogical, and false. Every intelligent man knows that the democratic rebellion of 1861 was the prime cause of nearly all the social and financial evils which have afflicted the country since that date. That rebellion cost us not merely myriads of precious lives and vast treasures of money, but it left us with a great debt, our people demoralized by the corrupting influences inseparable from war, and with an inflated and depreciated currency. The republican leaders in that crisis were wise and patriotic statesmen. Believing that the best interests of the people would be promoted by a return to specie payment, they did not hesitate to adopt that policy. After having been repeatedly sustained by the people at the polls the work has been virtually accomplished. The process has been a hard one and caused much suffering, but those are to blame for that who made inflation necessary, rather than those who pursued the only course by which the sound currency provided by the Constitution could be restored to the people.

Many of the causes of the hard times which the country has experienced within the last few years were, however, quite independent of contraction. One of these was overproduction. Many branches of industry were expanded much beyond the actual necessities of the country. Persons engaged in such kinds of employment found themselves suddenly thrown out of work by the failure of the demand for the products of their industry which had been artificially pushed to an extent far exceeding the present needs of the country. The prominent examples of this condition of affairs occurred in the iron and coal regions. The sudden cessation in the demand for iron and coal caused by the failure of the speculative demand in 1873 left concentrated at the centers of those industries thousands of men for whose labor then no demand existed.

A large portion of the iron and coal was speculative, and far more mines were opened than were needed to meet the immediate demands of the country, and when operations were necessarily suspended, the surplus laborers had either to suffer from want or find employment in other branches of labor less crowded. The latter alternative was by no means easy, as they were often not familiar with any other sort of business, and even when they desired to seek other employment they frequently lacked the means to do so. This condition of things was known to the democratic financiers in this House. Under such circumstances it was the obvious duty of Congress to so legislate as to foster and revive our manufacturing interests so as to increase the demand for iron and coal, thereby giving employment to these suffering men. How has the democratic party met the demand of these laboring-men for relief? By offering the Wood tariff bill, which, if adopted, would close still more factories and add thousands of additional recruits to the great army of the unemployed.

I refer to these facts to show how utterly incompetent the democratic party is to deal with the labor question, for it advocates a policy which if adopted would only aggravate still further the evils from which the laboring-men are suffering. If they wish relief they must in the future, as in the past, look to the party which removed

the disgraceful badge of slavery from labor, which has given the laborer honest money, which has always upheld free schools, a free press, freedom of conscience, and all the cardinal principles of human liberty.

#### THE ARMY.

I do not deem it necessary to make any argument to this House as to the expediency of maintaining an efficient regular army for national purposes. Such a policy is approved both by the practice and the teachings of the most enlightened and distinguished statesmen from the earliest days of the Republic down to the present time. In 1840, for example, I find that the Army consisted of nearly thirteen thousand enlisted men. If we merely take into account the increase which has since taken place in our population and territory, our Army, if proportionately increased, would contain about thirty thousand men.

In times past, from the very foundation of the Government down, many spirited debates on Army bills occurred in this House. Until the Democrats obtained a majority in the last and in the present Congress the discussions of this subject always breathed a spirit of admiration for and of gratitude to the gallant men and officers of the Army for the bravery and self-devotion of their defense of the property, the liberty, and the lives of the American people upon many a well-fought battle-field. It was reserved for the democrats in the last and present House to manifest, without disguise, a base, shameful, and malignant hatred of the Army, and to show a desire to turn out the war-wearied veterans on the world to endure penury and want. The debates here at this session have abounded in evidences of the spiteful hatred of the democratic majority to our brave and noble Army, and I cite as conclusive proof of the spirit by which that party is animated the following section from a bill reported by the chairman of the Committee on Military Affairs. It is as follows:

SEC. 41. That all troops herein provided for, and all others authorized by existing law, including all officers of every grade and in every department of the Army, shall be retained in the service of the United States so long as Congress shall provide for their support by specific appropriations for that purpose at or before the expiration of the last preceding fiscal year for which such appropriations have been so made. Such refusal or neglect shall be equivalent to an express act for the abolition of the military establishment, and the Army shall forthwith be disbanded.

It is a humiliating and disgraceful thing that such a proposition as this should have been made in the American Congress. It might be well styled a bill to render treason and rebellion easy and safe. Why this sudden hostility to the Army? Why this great anxiety to cripple it and to even totally disband it? Experience and recent events in the history of our country can leave no doubt in the mind of any intelligent and patriotic citizen as to the motives which inspired this action. When the democrats were preparing for the great rebellion of 1861 they began their unholy work by crippling the Army and scattering the Navy to the most remote quarters of the globe.

It is a somewhat ominous circumstance that this intense hostility to the Army has manifested itself simultaneously with the inauguration of the revolutionary movement by which the majority are seeking to open up the question as to the presidential title. The record of the democratic party is so bad that no loyal citizen can witness their conduct in regard to the matter without the gravest apprehensions as to their designs. The disbandment of the Army would certainly aid them in their schemes for Mexicanizing this country.

But other reasons are not wanting for this democratic hostility to the Army. It is essential to the success of the shot-gun policy in the South that the danger should be removed of military interference with that damnable scheme for maintaining democratic supremacy in that region. By intimidation and bloodshed a large body of true and loyal citizens of the South have been practically disfranchised. In the name of democracy free speech has been silenced and liberty throttled in nearly every one of the States lately in rebellion.

This is a wrong which must be righted, and the American people will never rest contented until it is done. They will not permit the only class of citizens in that region who were loyal to the Union to be deprived of citizenship and threatened with still greater evils. Bad as their condition is, there is danger that it may become still worse, for we find democratic papers in Mississippi like the *Columbus Democrat* and the *Okalona States* vehemently insisting upon the right of that State to restore slavery. These journals claim that the constitutional amendments were never legally adopted, and that consequently the colored race have no rights which white men are bound to respect. If these Bourbon leaders could have their own way, the colored citizens there would without doubt be soon reduced to a condition of serfdom, if not of slavery. In the light of what has already been accomplished in Mississippi, such a result does not seem improbable.

In 1872 the presidential vote stood—

Grant, (republican).....	81, 916
Greeley, (democrat and independent) .....	47, 191

Republican majority.....	34, 725
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The shot-gun policy having been subsequently adopted, we find in 1876 the following marvelous change:

Tilden, (democrat) .....	112, 173
Hayes, (republican) .....	52, 605

Democratic majority.....	49, 568
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In the light of what has thus been effected in Mississippi by intimidation and violence, is it not rather ominous to find leading journals in a State where Jeff. Davis is admired as the noblest of statesmen and purest of patriots advocating the doctrine that the negroes are not legally free men?

Is there no remedy for these wrongs? I hold that there is. I find in the Constitution of the United States the following provision, namely:

The United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion; and on the application of the Legislature, or of the executive, (when the Legislature cannot be convened,) against domestic violence.

What sort of a republican government do those States possess in which a majority of the citizens are practically disfranchised? The truth of the matter is that in a number of the Southern States a condition of affairs exists which calls for the interference of the General Government to make good this constitutional guarantee, backed up if necessary by sufficient military force to protect and enforce the rights of the humblest of the citizens of that region. I hold, sir, that the section of the Constitution which I have just read was intended for practical purposes, and that it should protect every citizen in the enjoyment of life, liberty, and property. I hold that there is

such a thing as American citizenship, and that no such outrages as the Chisholm massacre should be allowed to go unpunished by the National Government. For many years our citizens have been subjected to such treatment in the Southern States as would be, as between our country and foreign powers, a just cause for war.

A military force is everywhere recognized as an essential arm of good government. Wise statesmanship dictates that that force should be sufficiently large to accomplish all the ends of good government. No one can deny that our country needs a considerable army, not only for defense against foreign foes and Indians, but for the suppression of domestic violence. Our territory is so extensive that an army of twenty-five thousand men is barely sufficient for the services required of it. Congress would be wanting in its duty should it fail to pass all the laws needed for the protection of American citizens in their constitutional rights and provide the means of effectually enforcing those laws. The amendment of the internal-revenue law adopted last Monday, prohibiting the transfer of suits against internal-revenue officers from State to Federal courts, takes from the General Government the power to administer its own laws within the States. When considered in connection with the action of the House the other day in reducing the Army so that it must be powerless in the hands of the Federal Government to enforce law, it has to me a deep political significance. If there is to be but one national existence there can be but one sovereignty. An army in a republic like ours is but a subordinate agent of the civil power in maintaining law and order. Whenever, therefore, an occasion arises for a lawful use of the Army it should be used promptly and energetically, whether needed in the East or the West, the North or the South. Moreover, under such circumstances, an Executive is false to liberty and false to the principles of representative government, a fraud and a failure who fails to use the Army to enforce the laws for the protection of the rights and liberties of the humblest citizens.

#### REVOLUTION.

I cannot conclude these remarks, sir, without arraigning the democratic party for its recklessness in opening up the question of the presidential title. I do this not because I fear the result of a fair examination into that subject. Now that the investigation has been gone into, I only ask that all the facts be brought to light, not only in South Carolina, Florida, and Louisiana, but in all the other Southern States, as well as in New York, Oregon, and in the city of Cincinnati. The more thorough and complete the investigations the more clearly will it appear to all the world that Hayes and Wheeler legally received a majority of electoral votes. I therefore deplore the agitation of this question only because it will retard the revival of business prosperity, and thereby inflict a great injury upon all classes of citizens and prolong still further the sufferings of the poor and the unemployed. I denounce the movement as revolutionary and wicked and as conceived in the same spirit which planned the rebellion of 1861. The record of the majority of this House, which was already bad, has by this last act discredited the earlier history of the party it represents.

The present session of the democratic House is now drawing to a close, and upon reviewing its work I am confident that the verdict of the people will be that it has been a failure. When it assembled prices fell and stagnation of business began. It found thousands of workmen out of employment, and has pursued such a course as to

add thousands more to their numbers. At a time when the business of the country required peace and quiet, it paralyzed the industry of the nation by opening up the presidential question, thereby rendering all business enterprises uncertain and unsafe. Partisanship rather than right has determined who should occupy the contested seats on this floor, and the young Commonwealth of Colorado, in particular, was grossly outraged by having her legally elected Representative ejected from this House.

Finally, although no party controlling a majority of the popular branch of Congress ever had a better opportunity to win the gratitude of the people, never before has a party so utterly failed to come up to their just expectations. The entire course of the democratic majority of this House has been marked by incompetency, blunders, and failures. Taught by this bitter experience let us hope that the people will see to it that the next House is placed under the control of men liberal and progressive, men who will cherish the rights and liberties of the people, foster free education, protect labor, maintain a sound system of finance, and so cultivate the arts of peace that we may have lasting prosperity.